

ECONOMIC INTELLIGENCE COMMITTEE

ANNUAL REPORT OF THE EIC SUBCOMMITTEE ON SHIPBUILDING, FY 1958

A. Activities of the Subcommittee During Fiscal Year

1. Review of the Intelligence Product

The Subcommittee has undertaken no formal review or evaluation of the state of intelligence on shipbuilding matters. There has been, however, a fairly close informal liaison between ONI and CIA subcommittee members regarding shipbuilding intelligence matters which has been mutually helpful. It appears that while numerous gaps exist, in general there is fairly firm economic intelligence on the shipbuilding industries of the Bloc. The principal economic gap is in Soviet internal costs of building naval vessels.

2. Research and Collection Deficiencies

- a. A revised statement of the progress to date in filling priority research deficiencies is attached hereto as Annex A.
- b. After consideration of possible priority collection deficiencies in the field of shipbuilding, the Subcommittee agreed that at present no priority deficiencies exist which are not adequately covered by requirements of the individual agencies.
- c. Individual members of the Subcommittee consider the NIE post mortems and Validity-Studies to be of help in guiding the research in the several agencies.

3. Review of Substantive Papers.

- a. CIA (RR) has reviewed a number of ONI contributions to the NIE program, Sections 6-8 and Supplement 1. ONI and AFICIN have been furnished drafts of several reports prepared by CIA (RR) for review.
- b. No papers have been discussed or reviewed by the Subcommittee during the past year.

4. Review of Proposals for External Research

None.

5. Maintenance of Agreed Basic Statistics

Nothing to report.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC

None.

7. Intelligence Research Techniques

Nothing to report.

8. Special Coordination Functions of the Subcommittee

a. At the request of the IAC Ad Hoc Committee on Exchanges, the Subcommittee reassessed the intelligence and technological gains of a three to six months exchange with the USSR in the field of shipbuilding.

b. ONI and CIA (RR) members attended a conference on Sino Soviet Bloc shipbuilding [REDACTED] November 1957.

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9. Evaluation of the Role of the Subcommittee

a. It is believed that this Subcommittee is of considerable value as a medium of interagency review and coordination and meets the minimum criteria set forth in EIC-D-123/2, General Concept and Functions of EIC Subcommittees.

b. The efficient functioning of the Subcommittee has been impeded principally by difficulties in the security clearance of individual members. This has been discussed in detail with the EIC Executive Secretary.

B. Future Program of the Subcommittee

The Subcommittee plans to continue its work on a methodology for estimating the maximum capability of a shipyard looking toward agreed basic statistics on the capabilities of the Bloc shipbuilding industries. Exchange of information regarding research programs and exchange of draft papers for review and coordination will also be continued.

Gaps in Intelligence

Progress to Date

VI. Production and repair of merchant ships under 1,000 grt inland and fishing craft

(2) CIA (RR) project on the shipbuilding industry in Economic Region XII of the USSR will consider the economic aspects of minor shipyards in that region. Completion in FY 59.

VII. Imports and exports of materials, components and new vessels

(1) ONI has completed Section 64E (shipbuilding) of the NIS for Poland and Albania and is revising that section for the USSR.

(2) CIA (RR) projects covering the construction of ships for the inland, fishing and maritime fleets of the USSR were completed and published as RR 116, RR 125 and RR 129. A project on the maintenance and repair costs of the USSR maritime fleet has been published as RA 26.

VIII. Employment in the shipbuilding industry

(1) ONI has completed Section 64E (shipbuilding) of the NIS for Poland and Albania and is revising that section for the USSR.

(2) CIA (RR) reports RR 116, 125 and 129 cover the imports of ships to the USSR.

IX. Costs of construction of naval and merchant vessels

(1) ONI has completed Section 64E (shipbuilding) of the NIS for Poland and Albania and is revising that section for the USSR.

(1) CIA (RR) report RA 24 estimates the cost of construction of a Soviet destroyer. Another project on USSR shipbuilding costs is scheduled for completion in FY 59.

X. Capital investment in the industry.

(1) Nothing to report.

ANNEX A

Progress Report on Priority Deficiencies of Research

By EIC Subcommittee on Shipbuilding

Gaps in Intelligence

Progress to Date

A. Critical Deficiencies

I. Methodology for estimating the maximum capability of a shipyard.

(1) EIC-SSC-WP1. Estimate of the industrial capability of the USSR to produce submarines under an industrial mobilization plan - completed.

(2) CIA (RR) project on the shipbuilding industry in Economic Region III of the USSR. Completion in FY 59.

(3) CIA (RR) project on a methodology for estimating ship production capability in the USSR. Completion in FY 59.

II. Studies of major shipbuilding components.

(1) Nothing to report.

III. Input requirements

(1) CIA (RR) projects on the production of ships for the several USSR fleets contain tables of inputs of material, labor and power. These projects resulted in four published reports.

IV. Studies of individual major shipyards

(1) ONI has completed studies of the facilities of the major shipyards of the USSR for Supplement 1. NIS 26 - 100% complete.

(2) CIA (RR) project on the shipbuilding industry in Economic Region III of the USSR will consider the economic aspects of the major shipyards in that region. Completion in FY 59.

V. Studies of minor and small shipyards

(1) ONI has completed studies of the facilities in the minor and small shipyards in the USSR for Supplement 1. NIS 26. 100% completed.

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6 Meetings

7/20/56 - (M-15) - Annual Report

9/11/56 - (M-16) Priority Collection Deficiencies  
Agreed Basic Statistics

12/11/56 (M-17) (Special mtg - no minutes)

2/12/57 - (M-18) - Agreed basic statistics - USSR Int. Bldg Capacity

3/12/57 - (M-19) Agreed basic statistics  
Priority Collection Deficiencies

4/10/57 (M-20) - Agreed basic statistics - USSR Int. Bldg Cap. SEC-56C  
Approved. WFP.1  
Priority Collection Deficiencies

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9/10/57 (M-21) Priority Collection Deficiencies

17/10/57 (M-22) Priority Coll. Deficiencies - tabled for present (See memo)  
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Agreed 'basic' statistics - Shipyard Capability

2/4/58 - Meeting? postponed.

3/11/58 - (M-1) Meeting? Agreed basic stats - Shipyard capability methodology  
(other sitting up project)

4/8/58 (M-24?) Agreed basic stats - Shipyard capability (methodology)  
(ORR Project 35.2090- 3/4/58)

6/10/58 (M-3) Ann. Rpt - Basic stats -  
~~methodology for estimating shipyard capacity~~